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Effects of Kellogg's Nutritional Label on Consumer Buying Behaviour in Dubai, UAE

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Abstract

In present days, the food customers have become more health conscious and pay more of attention to nutritional foods and the nutrition value tagged to the product. Many organisation use nutritional label as a competitive advantage to survive the competition in the market. This study has been conducted with the objective to evaluate the impact of nutritional labeling on the purchasing decision of the Dubai consumers. Additionally, it attempts to identify the factors affecting the consumer behaviour, to measure the level of awareness of consumers regarding the product they buy and the level of importance attached to the nutritional label.

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1. Introduction

Consumer behaviour studies the attitudes and perceptions of individuals towards the selection and utilisation of products that satisfies their needs. Cultural, Social, Personal or Psychological factors influence the consumer behaviour during the purchase decision making. In current days, the consumers have become more health conscious due to their changing work life and the influence of their social groups. The customers in the market are more inquisitive about what they eat and the ingredients in their food. This has lead to the growing prominence of nutritional foods and the nutritional labelling in foods.

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The different types of buying situations the consumer's encounter are New Buy, Complex Buying, Dissonance Reduce Buying, Impulse Buying, Habitual Buying, Repeat Buying and Variety Seeking Buying. Nutritional labelling is most commonly examined and explored by consumers during the habitual buying and repeat buying process as they are continuously associated with the products and try to satisfy their psychological need.

Nutritional labelling is now evolving into a competitive advantage strategy to play against the stiff competition in the market.

1.1 Nutritional Labeling

Nutritional Labeling is commonly well-known as Nutrition Facts or Food label that is generally found at the back part or side part of the product. The fact label includes the valuable information to be known about the product such as the serving size, calories, the nutrients and vitamins that the products is containing, nutrients value and the footnotes. The nutritional labeling illustrates all the nutritional details and facts about the total serving of the product.

The nutrition label serves as a guide for the customers, specially those people who are diet and health conscious. It also educates the consumer about the advantages of the product for their health. Consumers with allergy, deficiencies can easily refer to the food label to verify the suitability of the product for their good health. Although nutrition label could be found in most products, there are still few goods that do not contain any nutritional labeling like the frozen goods. But, the manufacturer of the frozen food products include food label that describes the ingredients of the food product to guide the customers.

1.1.1 Importance of nutritional labeling

Consumers are habitually engrossed in comparing the prices of the foods rather than comparing the food labels to make a healthy food decision. The food label helps the consumers to select the ideal food for their healthy life.

The nutritional label is the most useful contrivance to opt the ideal amount of vitamins, minerals, calcium and iron for good health. This helps in losing and maintaining a healthy weight.

The food label helps in the balanced consumption of nutrients. Consumers check the Nutrition Facts Labels, for foods that are high in fibre, vitamins, and minerals and low in sugar, sodium, cholesterol, and fats.

Hence nutritional labelling helps the company to run their business with a social motive towards the market environment and at the same time use it as a tool to face the competition in the growing market.

1.1.2 Impact of nutritional labeling on consumer buying behaviour

Nutritional Labeling has a direct impact on the consumers because it is related to products that are directly purchased and consumed by the consumers in the market. Consumers nowadays are checking the nutritional labeling before purchasing the product due to health issues, blood pressure, cholesterol and some for maintaining healthy diet.

Nutritional Labeling provides the information that the consumer needs about the foods that they buy. Before purchasing a product the customer tend to look at the information given at the back part of the packaging which includes the nutritional labeling. They check if it has the right amount of nutrients. They examine the total serving size of the product and at times the compare it with other brand to choose the best. The nutritional labeling helps to identify the right product that would suit them and especially for the kids. Parents look at the nutrition facts to know if they are providing their child the right combination of nutrients that are needed for their healthy growth. There are other customers who look at the nutritional labeling due to health problems so they have to avoid food with a high number of calories, carbohydrates or the cholesterol that the product contains.

If the nutritional labeling does not provide the required nutrient facts, this leads to dissatisfaction of the customer and would majorly affect their purchasing decision. Since customers want a product that is healthy and safe for them, they check the nutritional labeling and if they are satisfied, there would be an urge to purchase the product because they are satisfied with the nutritional facts provided. But if the nutritional labeling does not contain the comprehensive nutrients fact details, the consumers would be forced to select another product against this product. This would directly affect the purchasing decision and sales of the product. This behaviour of the consumers has led to the development of nutritional labeling being used as a competitive advantage against the competitors in the market.

2. Kellogg's

Kellogg's started since 1906 which is founded by William Keith Kellogg. He is the person who invented the original corn flakes. It is known for producing cereals and ready to eat foods. They have a variety of products such as Cornflakes, Fruit Loops, Rice Krispies, Special K, Frosted Flakes, Pop-tarts, Nutri-grain and many more. They have been honored by DiversityInc for being focused in diversity. They are recognized as one of the World's Most Ethical Companies. Kellogg's aim is to support their customers, employees as well as their community so that it will grow further. They provide healthy products for their customers and serve them well with all they can.

Vision of Kellogg's: "To Enrich and delight the world through foods and brands that matter" (Kelloggcompany, 2015)

Purpose of Kellogg's: "Nourishing families so they can flourish and thrive" (Kelloggcompany, 2015)

Kellogg's company have earned different awards all through the years that they have been serving people. Due to their service they have gained brand loyalty from their customers. They became a big company and they are still growing. They produce different variety of products and they never fail the expectations of their customers. They have been improving all their aspects so they can keep their customers. They keep them satisfied with all they can and provide them what they need in a product.

Kellogg's assures that they offer the right product to their customers and sustain them with enough nutrients that they need. They keep their products healthy and they make sure that all their products have enough nutrients. Since then, it is their goal to provide their customers a nutritious product that will suit the lifestyles of different people. They have been increasing the nutrients of their products while reducing the sugar, sodium, and fats that it contains.

Kellogg's has been launching new products from now and then and this has got them a lot of people who purchase their product. since they have proven that they are producing health goods, customers have started to trust them and this helps Kellogg's to grow and be competitive.

Source: Kelloggcompany, 2015

3. Objectives of the study

This study has been conducted with the primary objective to evaluate the impact of Kellogg's nutritional labelling on the purchasing decision of the Dubai consumers. Besides this it also attempts to identify the other factors affecting the consumer buying behaviour, to measure the level of awareness of consumers regarding the product they buy and to evaluate the level of importance attached to the nutritional label.

4. Research Methodology

A descriptive study covering 300 respondents in Dubai city was conducted. The respondents were consumers of Kellogg's nutritional products in Dubai. The primary data for this study was collected using a undisguised structured questionnaire.

Non-probability sampling method was adopted for this study. The data collected were well analyzed using Chi – square Test, Percentage Analysis Method, Analysis of Variance, Weighted Mean Ranking and Kendall's Coefficient of Concordance.

5. Finding's

In this research, it also shows that the male populations are more active in responding to surveys. They are more aware on what's happening around them compared to women. The men are also interested regarding the nutritional food panel and they manage to check it at times. Though women are known for being responsible when it comes to this kind of situation, there are only few of them who responded to the given survey.

- Kellogg's has different kinds and flavors of cereals but majority of the people prefers to buy Kellogg's Cornflakes since it is their most popular product and it is suitable for everyone. It is the product the people buys often then followed by the frosted flakes which is somehow the same as the cornflakes but differs in taste. Since people have different tastes for food, they will have their own choice on which product they

prefer the most.

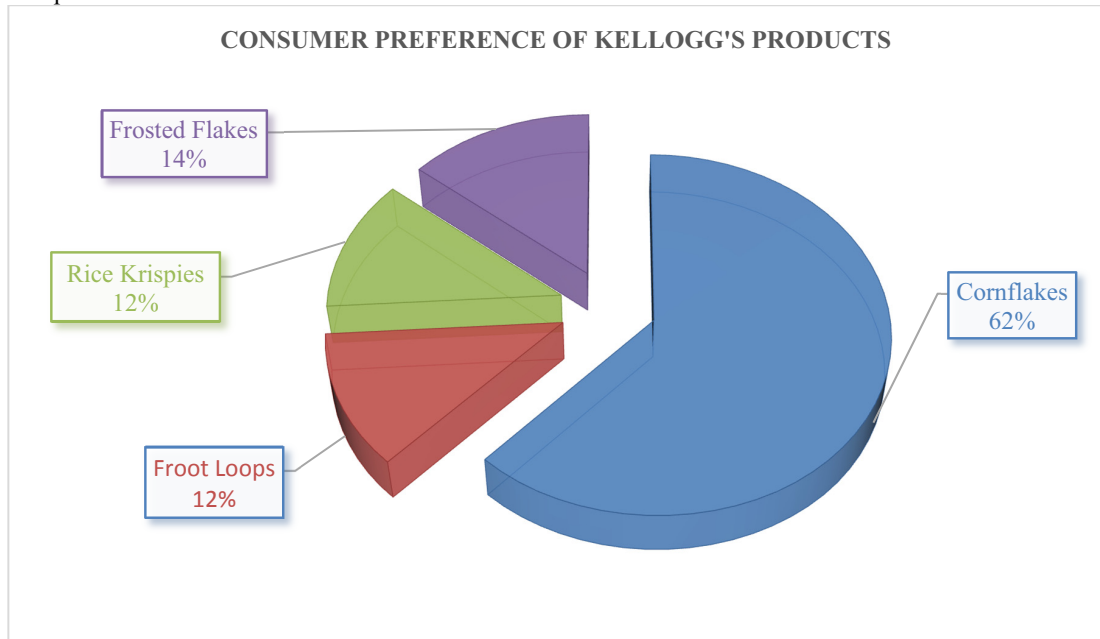


Figure1. Kellogg's products preferred by respondents

- 94% of the respondents agreed that Kellogg's has a healthy nutritional label since they have good and proper facts about their product. A meager percentage of respondents did not the statement. This may be due to unawareness regarding the product or they haven't seen or checked the nutritional label when they purchased a Kellogg's product.
- When it comes to the satisfaction regarding the nutritional label majority goes with highly satisfied, satisfied followed by neutral. 46% of the respondents said that they are highly satisfied and contented with the Kellogg's Nutrition fact and 36% percent said that they are already just satisfied for some reasons like they want to see something more form the nutritional label or the amount of contents are too high or too low. There 18% who goes with neutral, these can be either satisfied or unsatisfied with the given label. They are not contented or not sure about their satisfaction about the nutritional label of Kellogg's.
- In every food product it contains a nutritional label for people to know the total amount of nutrients that it contains. There 38% from the respondents who says that it is very important for a product to have a nutritional label and 34% said that it is important. These people who agreed that it is important are the one who are highly concern or conscious about their health especially to those who are having a daily diet or health problems. It is necessary for them to check the nutritional labels.
- When it comes to rating of nutritional label of Kellogg's the percentage of respondents who gave it an outstanding is 66% percent and 32% gave it an above average rating which means that Kellogg's nutritional label needs to still satisfy and develop its nutritional label in the competitive market.
- Another factor that people consider is the special offers. The study tells that 30% have said that special offers are very important which means that these people tend to buy products that are on sale or have discounts rather than buying the one with the original price. They always consider and look for promotional offers before they buy a certain product. There are also 54% of people who said that it is just important for them and they can consider the one with the original price as long as the product is good. The last 16% said that they are neutral about it. That explains that people who agree with neutral can either go with products on sale and products that are not as long as they are satisfied with it.

- 54% of the respondents have agreed that they always examine the nutritional label which purchasing the Kellogg's products. 32% of the respondents have accepted they often check but not always. 8% of the respondents have responded that sometimes they check the label, this is because they are repeat buyers and a meager percentage of respondents have expressed that they rarely check because they do not understand the label clearly.

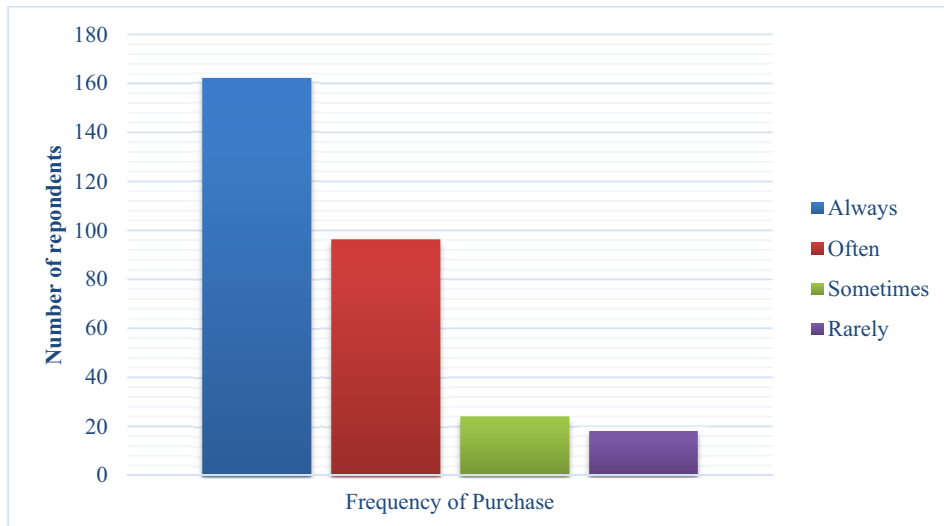


Figure 2. Respondents' response on checking nutritional label during buying

- The nutritional label of a product has an impact on the buying behavior of a customer. There is a huge percentage who agreed that nutritional labels have affected their buying decision while 18% said that they are neutral about it. The neutral respondents may of the belief that the nutritional label is not a huge factor in purchasing a product and which means they can be more interested about the taste or the brand of the product.

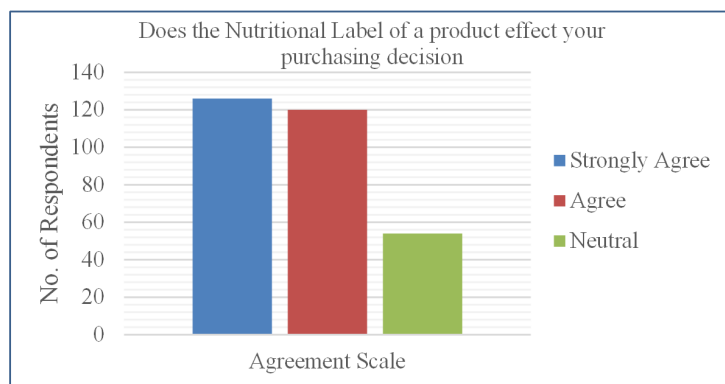


Figure 3 Respondents response on the effect of nutritional labelling on purchase

- A product can be recommended if it has a good quality and satisfies the needs of the customers. The study shows the willingness of the people to recommend Kellogg's products to their friends or family. 12% of the respondents have expressed that they are highly willing to recommend Kellogg's to others without hesitation and this explains that Kellogg's has a good product. The 60% goes to the people who said that they are willing to recommend. This shows that they have enough experience of Kellogg's product to share it with others and the last 28% goes to the people who said neutral. They have hesitation about recommending Kellogg's products or not. This segment of people are new to Kellogg's and still require time to be sure of recommending to others.

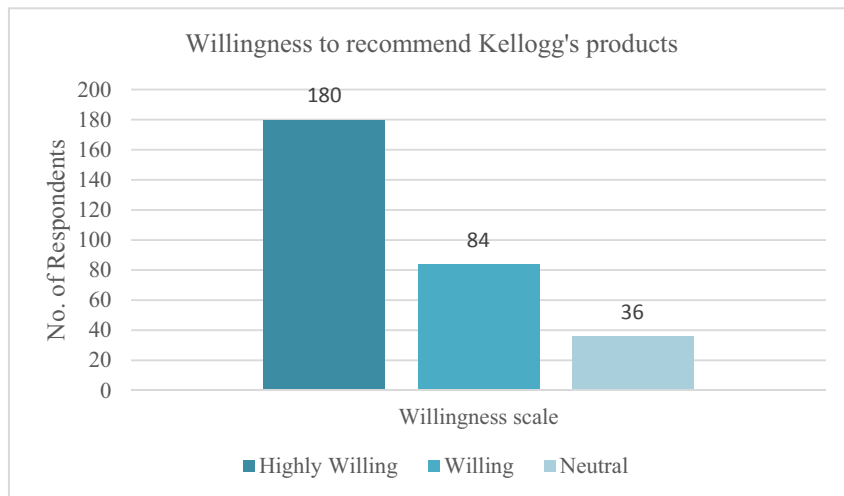


Figure 4 Respondents willingness to recommend Kellogg's products to their social group

- The study shows the following results with regards to the other brand of cereals that people may buy in the absence of Kellogg's in the market. It shows that Nestle got the highest percent of 32%. Most people would prefer to buy Nestle cereals due to the name of the brand and the product itself for having a good image in the minds of the people. The second brand is Weetabix, it got 22% after nestle. It also has a good brand image and their product is good but not all people know their brand. The third is Carrefour cereals which got 20%. It is a known brand of cereals in UAE due to its cheap price but still they manage to serve a good product to the people. The fourth brand is First which got 14%. It is almost the same as Carrefour cereals they also offer cheap prices of products but somehow people tend to think that due to cheap price the quality of the product becomes low which they think is not good. The last brand is Sultan which got 12%. It is also a good brand of cereals but only few people knows the brand since there are other products that they have known before so they don't bother to look at the other brands.

6. Recommendations

Consumers look at the nutritional label for many reasons such knowing the advantage of the product, making sure that the product is healthy, dietary problems and many more. These are just few reasons on why they check the nutritional food panel. These reasons are considered as consumer buying behavior since some of those are factors that affect their purchasing decision.

Most people check the nutritional label as a reference for the product that they buy whether it is a food or beverage. They are using it in different ways some use it to check the nutrients, some looks at the total serving size, there are

also people who check the calories and the carbohydrates that it contain. They tend to check those things for personal purpose like health concerns and healthy diet. If the product contains too much calories or carbohydrate or can be both, it might not be suitable for those people who are having health problems or even to those on daily diet.

Many respondents expressed the view that they find the nutritional label confusing and complicated overall. It is a good idea that the design for the nutritional food panel is being changed and makes it simpler so that everyone can understand it. It will be a big relief for everyone since they can check it often and they won't find it complicated anymore. Consumer will understand it easily which means their purchasing decision will be easier since the nutritional label is one of the factor that they consider before purchasing the product.

7. Conclusion

The study is about Kellogg's nutritional label and its impacts on consumer buying behavior. It tells about how the nutritional panel affects the buying behavior and why does it affect the purchasing decision of a consumer. It also tells about the other factors that might affect the buying behavior. This study is also about the point of views of different people when they check the nutritional labeling of the products.

The study emerged out with the various effect on consumer buying behavior. It shows that consumers depend on the nutritional labeling before they purchase the product especially the people who have health concerns and people on a healthy diet. This tells that if they find that the nutritional labeling is not healthy or not clear and the contents are invalid, there is a huge tendency that consumers will not purchase the product anymore because they find it not useful. If a consumer doesn't understand the nutritional label or they find it complicated it also affect the purchasing decision since they don't understand the nutritional panel they will purchase another product.

In this study it is good to recommend that consumer should always check the nutritional label to make sure that they are getting enough nutrients that they need. It is also applicable that the nutritional label will be less complicated so people who check will understand it easier and they won't be confused on what does it states.

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